

REMARKS

Claims 1-17 remain in the case. New claim 18-20 are added by this amendment. Reconsideration on the basis of the above amendments and remarks below is kindly requested.

Claims 1-17 are rejected under 35 U.S.C. §102(b) as being anticipated by Pereira.

Independent claim 1 as amended recites in part:

"... wherein said steering structure includes separate first and second shaft sections that are moveably coupled to one another and which are movable between a first alignment and a second alignment, said second alignment being different from said first alignment."

This structure is not disclosed by the telescoping shock absorber of Pereira. In Pereira, the two shaft sections maintain the same linear relationship or alignment as one telescopes into the other.

With respect to the dependent claims (2-6 and 11), claims 2 recites:

"... a bias mechanism for biasing said first and second shaft sections into said first alignment."

Since Pereira does not disclose moving the two shaft sections out of alignment, Pereira does not disclose biasing them back into "said first alignment." Claim 5 as amended recites:

"... in response to a downward force exerted on said support structure, said steering structure moves to said second alignment causing the second foil to achieve an angle in the water that drives said device forward."

Pereira is driven by a propeller and not by a movable foil. The change in alignment of the first and second shafts is to accommodate the change of angle-of-attack of the drive foil as it moves between drive and recovery positions. These features are **not** disclosed in propeller based system of Pereira.

Independent claim 7 as amended recites in part:

"... said first and second shaft sections moving in said first plane between a first alignment and a second alignment, different from said first alignment, in which said second foil is presented for driving said device forward."

As stated above, **Pereira discloses a propeller based drive system and not a movable foil based drive system.**

With respect to independent claim 12, this claim recites in part:

" ... wherein said first foil is coupled to said support structure at a first pivot and said support structure includes a second pivot located between said first pivot and said handle."

This multiple pivot arrangement is not disclosed or suggested by the shock absorber of Pereira. The first pivot permits the first foil to find its desired position in the water independent of the steering structure and the second pivot permits alignment of the second foil for driving the device forward. This multiple pivot structure and the benefits derived therefrom, including propeller-less drive, are not disclosed or suggested by Pereira.

With respect to the new claims, New claim 18 is claim 5 as originally filed. It includes the following limitation:

" ... wherein said first and second shaft sections are moveable between a first position that facilitates diving of the second foil in a manner which propels the device forward, and a second position that facilitates glide of the device near a water surface."

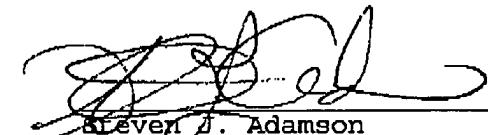
This limitation is *not* taught or suggested in Pereira.

Claims 19-20 depend from claim 18. Claim 19 includes a limitation originally presented in independent claim 7 and claim 20 recites a bias mechanism.

In view of the foregoing Amendments and these Remarks, Applicant respectfully submits that Claims 1-20 are now in condition for allowance and early notification of same is respectfully requested. Should the Examiner believe that a telephone conference would help further the prosecution of this case, the Examiner is requested to contact the undersigned at the listed telephone number.

The Assistant Commissioner is hereby authorized to charge underpayment of any fees (including any filing fees under 37 C.F.R. §1.16 for additional claims and any patent application processing fees under 37 C.F.R. §1.17 including any fee for extension of time) associated with this communication or credit any overpayment to Deposit Account No. 01-0272. A duplicate copy of this authorization is enclosed.

Respectfully Submitted
on behalf of Applicant,



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